A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 63 - No. 6 JUNE, 1985

PAPER AND PAPERBOARD PRODUCTION: STEADYING

The rate of paper and paperboard production turned upward in May from its April low, but was still 3.4% below the rate of the first quarter of 1985. The April low largely reflected the shutdowns of kraft paperboard mills to work off excessive inventories. Kraft paper production also declined sharply in April, but recovered somewhat in May.

The May recovery was concentrated in the packaging grades as the shut-down mills came back into operation. While production of the printing and writing paper grades held near its April rate, the rate of shipments eased. New orders for these papers are holding rather steady and backlogs levelled off.

The April-May rate of paper and paperboard production, seasonally adjusted, was about 64.8 million tons per year, some 4.4% below the first quarter 1985 rate and 5.4% below the high rate reached in the comparable months of 1984. For the entire January-May 1985 period, paper and paperboard production averaged 66.6 million tons per year, seasonally adjusted, 2.4% below its comparable year-ago rate. The seasonally adjusted rate of paper production, at 34.1 million tons per year, was down 0.9%; paperboard production, at 32.5 million tons per year was down 3.8%.

The production tonnage totals shown for 1983 and 1984 shown on page 3 reflect additional revisions in printing paper shipments, stemming from the annual re-survey of reported data by the Printing-Writing Paper Division. The new totals are slightly below the earlier-reported data but the quarterly patterns remain the same.

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IMPORTS, EXPORTS AND NEW SUPPLY

Import and export trends have affected domestic production of paper and paperboard. In the first four months of 1985 imports of paper and paperboard (excluding the construction grades) were at the annual rate of 11.0 million tons, 14% above the year-earlier rate. There had been some fall off of imports in the first two months of 1985, but imports rose sharply in March and held to a relatively high rate in April.

The major gains in imports were in newsprint, up 16.8% to a rate of 8.6 million tons per year; uncoated groundwood papers, up 13.7%, at a rate of 1.1 million tons per year; and coated papers, at 617,000 tons per year, more than double the rate of imports of the first four months of 1984. At the same time, imports of uncoated free sheet papers, which had shown a strong gain in 1984, were 46% below their year-earlier rate in the first four months of 1985, averaging 308,000 tons per year.

These imports reflected orders placed some months earlier, when demand was somewhat stronger. A slower pace of over-all business activity in the U.S. may slow down the import surge.

Exports, reflecting in part the effects of the strong dollar , were down from their year-ago levels. Exports of paper and paperboard (excluding the construction grades) in the first four months of 1985 were at the rate of 3.5 million tons per year, 3.2% below the year-earlier rate. The decline was centered on paperboard, particularly kraft linerboard. Paper exports actually increased, with the four-month 1985 total at the rate of nearly 850,000 tons per year, 7.3% above the rate of the first four months of 1984. Major gainers were newsprint, up 20%, at 344,000 tons per year, and uncoated free sheet papers, at 79,000 tons per year, up 22%. The details are shown in table on page 9. Data on paperboard production for export, as reported to the API, are shown in the table on page 3.

Even with imports relatively strong in April, and exports relatively weak, the new supply of paper, paperboard and products (production plus imports less exports) for the April-May period averaged about 72 million tons per year, 4% below the first quarter 1985 rate and about 2.7% below the second quarter 1984 rate. Clearly some inventory correction is under way.

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PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

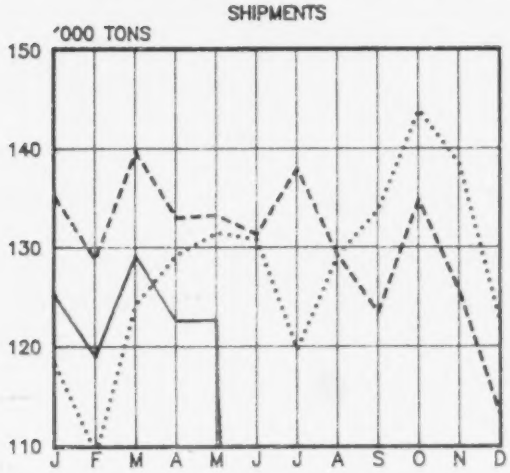
	YEAR 1983	YEAR 1984	FEB. 1985	MAR. 1985	APR. 1985	MAY 1985	Annual Rate Y-T-D 1985	% Change From same Period Last Year
PAPER								
Newsprint - Production	5167	5539	447	489	427	461	5501	-1.8
- Shipments	5153	5584	446	477	450	452	5474	-4.6
Printing & Writing sum	17370	18403	1477	1618	1585	1539	18747	0.2
Groundwood Paper - Shipments	1531	1565	119	129	123	123	1485	-7.6
- New Orders	1581	1601	101	118	112	126	1430	-12.9
-Unfilled Orders	145	164	140	132	115	120	120	-23.5
Coated Papers - Shipments	5716	6249	499	540	517	494	6270	-0.2
- New Orders	5864	6292	455	472	508	500	5976	-3.8
- Unfilled Orders	513	586	520	459	461	461	461	-15.4
Unctd Free Sheet - Shipments	8780	9207	751	830	833	810	9643	2.4
- New Orders	9076	8939	763	865	853	806	9754	6.7
- Unfilled Orders	687	430	425	457	485	486	486	-23.0
Thin Papers - Shipments	280	275	22	26	23	24	284	0.0
Cotton Fiber Paper - Shipments	133	147	11	13	12	11	143	-6.3
Bleached Bristols - Production	931	959	75	80	78	77	922	-5.0
Tissue Paper - Production	4789	4921	392	430	399	440	4985	2.3
Total Packaging & Other Paper	5497	5555	434	455	406	444	5265	-9.7
Unbl. Kraft Paper - Shipments	3666	3666	293	295	258	290	3453	-9.3
Other Paper - Production	1832	1889	140	160	148	154	1813	-10.5
TOTAL PAPER-Production-Unadj. *	32823	34418	2750	2992	2816	2884	34498	-1.5
-Production-S.A. *			2871	2851	2783	2800	34080	-0.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	24779	26403	2001	2283	2036	2178	25564	-4.0
Unbl. Kraft Linerboard (1)	15001	16037	1190	1401	1193	1312	15386	-4.8
Production for Export	2281	2086	124	139	139	145	1590	-27.4
Other Unbl. Kraft Paperboard	1121	1149	92	105	91	107	1171	-0.5
Semichemical Paperboard	4731	5169	400	430	411	431	5015	-3.2
Production for Export	193	149	19	11	14	12	154	2.3
Solid Bleached Paperboard	3926	4048	318	348	341	328	3993	-2.9
Production for Export	515	478	29	40	43	41	466	-7.4
Recycled Paperboard	7398	7637	595	670	572	621	7474	-6.8
Production for Export	24	17	1	1	1	1	14	17.7
TOTAL PAPERBOARD-Prod.-Unadj. *	32177	34039	2595	2953	2609	2799	33044	-4.7
- Containerboard Prod.(Dom. Use)	19173	20993	1598	1858	1604	1748	20598	-2.3
- Boxboard Prod.(Dom. Use) (2)	5551	5783	468	505	491	462	5786	-1.8
- All Other P'bd Prod.(D.U.) (2)	4441	4531	357	399	316	391	4436	-8.3
- Total Paperbd Prod. for Export	3012	2731	172	191	197	198	2224	-22.1
TOTAL PAPERBOARD PROD.- S.A. *			2736	2782	2558	2654	32490	-3.8
TOTAL PAPER AND PAPERBOARD								
Production - actual *	65000	68457	5345	5945	5424	5684	67542	-3.1
Production - S.A. *			5608	5633	5341	5454	66570	-2.4

(1)Includes all exports of kraft paperboard.
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.
* NOTE: Year 1984 contains one more day than year 1983.

P Preliminary
R Revised
S.A. Seasonally Adjusted

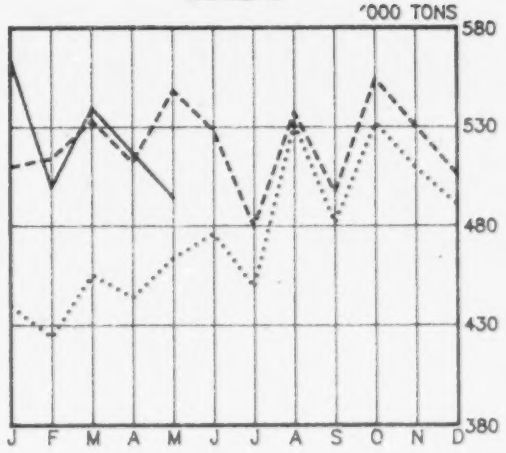
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



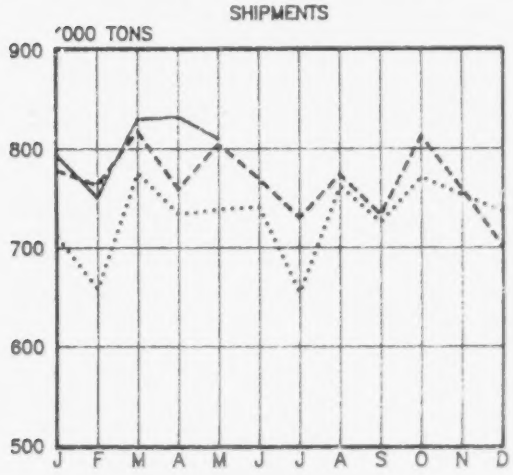
COATED PAPER

SHIPMENTS



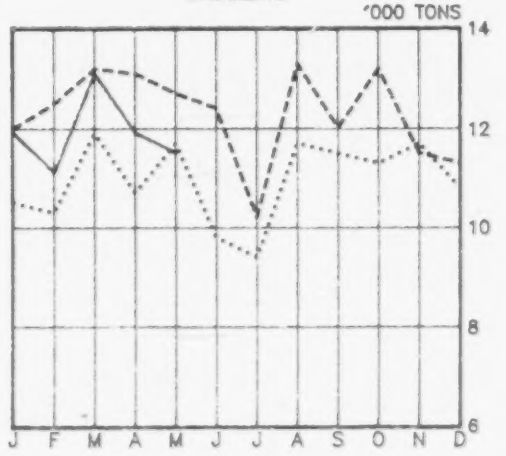
UNCOATED FREE SHEET PAPERS

SHIPMENTS



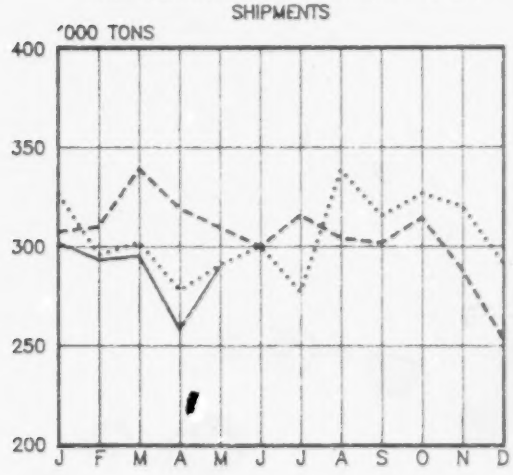
COTTON FIBER PAPER

SHIPMENTS



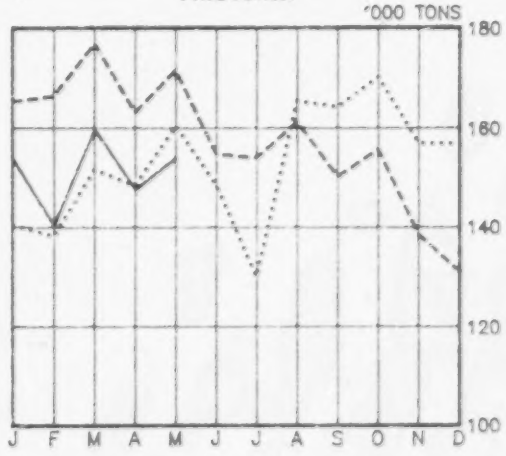
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1983 ····· 1984 - - - - -1985 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1983	YEAR 1984	JAN 1985	FEB 1985	MAR 1985	APR 1985	Annual Rate Y-T-D 1985	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	52537	55549	4595	4376	4843	4403	54649	-2.0
- Imports	4093	4490	313	380	460	335	4464	3.6
- Exports	3644	3594	301	223	399	328	3749	4.2
- New Supply	52986	56445	4607	4533	4904	4410	55363	-1.9
Dissolving Pulp - Production	1261	1206	86	118	118	104	1280	0.2
- Imports	192	161	6	22	21	7	167	2.4
- Exports	647	595	53	39	89	59	722	10.9
- New Supply	806	772	39	101	50	52	724	-8.2
Paper Grades - Production	42358	44709	3716	3502	3893	3513	43871	-2.0
Chemical Pulp - Imports	3706	4023	300	333	416	324	4118	6.1
- Exports	2958	2945	245	179	306	267	2991	2.8
- New Supply	43106	45787	3770	3656	4003	3570	44997	-1.6
Groundwood and - Production	5067	5534	452	432	483	445	5435	-2.3
Thermo-Mech. - Imports	195	306	7	26	23	4	179	-32.6
- Exports	40	54	2	5	4	1	36	-6.5
- New Supply	5222	5786	457	452	502	448	5578	-3.6
Semi-Chemical - Production	3851	4100	341	325	349	340	4064	-2.0
- Imports								
- Exports			- - - - -	Included in Groundwood Pulp			- - - - -	
- New Supply	3851	4100	341	325	349	340	4064	-2.0
MARKET WOOD PULP								
Total Market - Production	6478	6891	579	588	609	564	7022	2.6
Wood Pulp - Imports	2945	3256	252	232	263	195	2824	-10.9
- Exports	3421	3511	223	301	364	334	3663	1.0
- New Supply	6002	6635	608	519	508	425	6182	-3.2
Dissolving Pulp - Production	1260	1197	86	118	118	105	1279	0.4
- Imports	210	204	10	21	22	8	181	-9.6
- Exports	698	690	27	64	75	58	673	-7.7
- New Supply	772	710	69	75	64	54	788	5.6
Paper Grades - Production	5206	5680	492	469	491	458	5728	3.1
Chemical Pulp - Imports	2698	2952	238	209	238	186	2611	-10.2
- Exports	2723	2821	196	237	289	275	2990	3.2
- New Supply	5181	5812	534	441	439	369	5349	-3.9
Groundwood Pulp - Production	12	13	1	1	1	1	14	17.1
and All Other - Imports	38	100	4	2	3	1	31	-49.9
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	49	113	5	3	5	2	46	-38.6

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

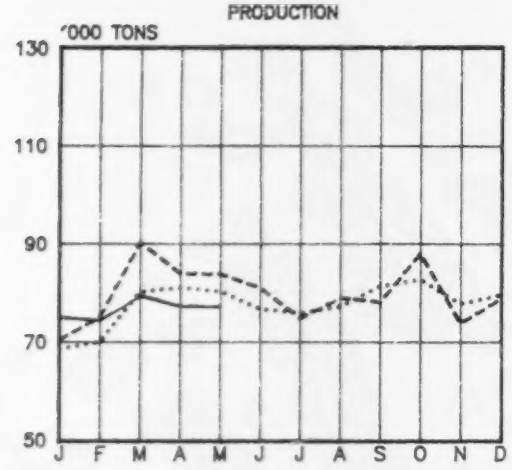
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	66130	70530	5820	5444	6138	5590	68976	-2.6
Total Wood Pulp	51434	54641	4466	4266	4778	4344	53558	-2.4
Waste Paper	14696	15889	1355	1179	1360	1246	15418	-3.2
INVENTORIES								
Own Use Wood Pulp at Pulp Mills	170	174	165	172	191	167	167	4.8
Mkt Pulp at Pulp Mills (Paper Grades)	384	585	666	695	685	636	636	86.8
Mkt Pulp at Ppr. & Bd. Mills *	550	484	471	482	484	484	484	-29.3
Waste Paper at Paper &Bd. Mills	920	1025	1036	1003	977	994	994	8.7
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	26	50	50	48	46	37	37	68.2

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

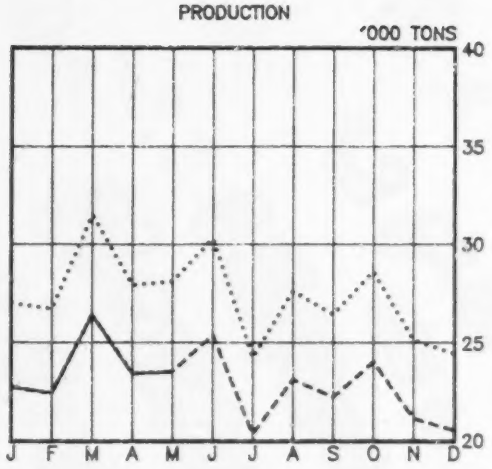
BLEACHED BRISTOLS

PRODUCTION



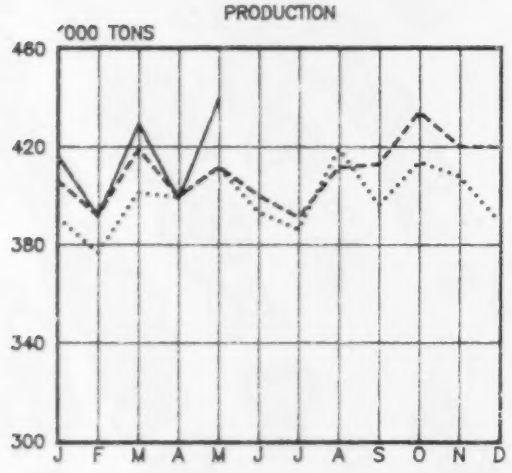
THIN PAPER

PRODUCTION



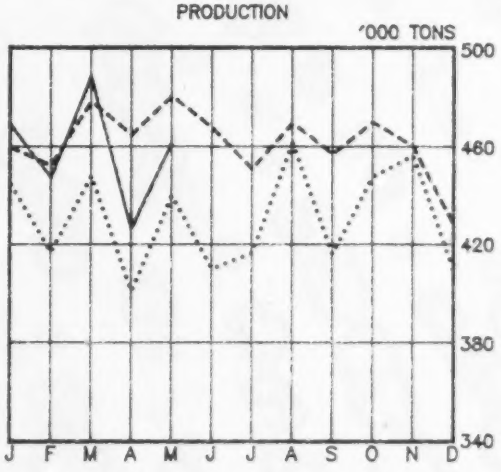
TISSUE PAPER

PRODUCTION



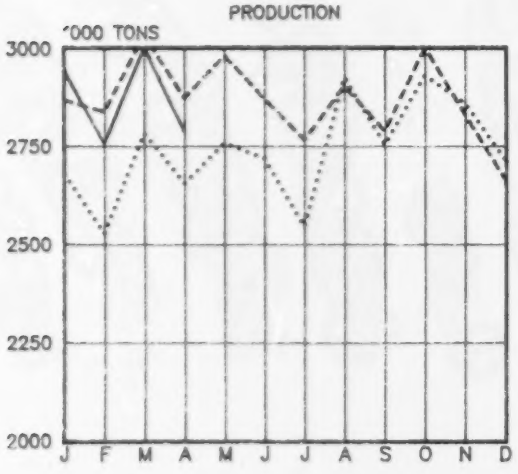
NEWSPRINT

PRODUCTION



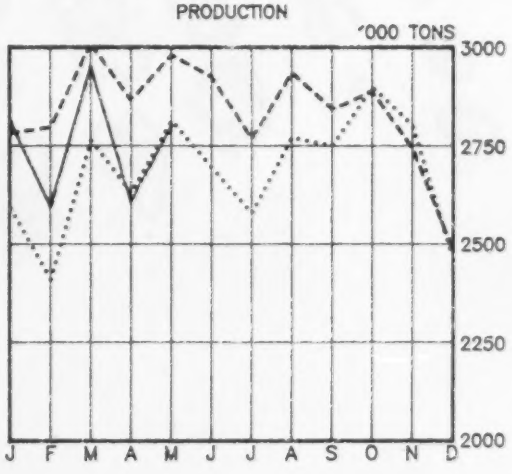
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1983 ····· 1984 - - - - -1985 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1983	YEAR 1984	JAN. 1985	FEB. 1985	MAR. 1985	APR. 1985	Annual Rate Y-T-D 1985	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	84475	88876	7481	7068	7483	7009	87123	-1.4
	- Total Consumpt	85442	87646	7413	6981	7651	7148	87579	-1.0
	- Residues *	32755	32072	2425	2407	2654	2659	30435	-7.8
	- Inventories	5229	5574	5552	5453	5256	5136	5136	7.5
So. Atlantic	- Total Receipts	25736	27654	2354	2312	2396	2239	27903	9.3
	- Total Consumpt	25847	27344	2325	2270	2507	2284	28158	8.1
	- Residues *	7904	8198	628	710	642	623	7959	0.2
	- Inventories	1163	1444	1478	1450	1312	1296	1296	44.0
Northeast	- Total Receipts	7051	7665	727	671	657	542	7791	0.6
	- Total Consumpt	7274	7474	682	628	680	685	8025	-0.4
	- Residues *	1199	1501	123	121	144	142	1593	15.2
	- Inventories	577	590	606	664	640	490	490	6.8
South Central	- Total Receipts	29409	30693	2503	2353	2741	2556	30454	1.0
	- Total Consumpt	29152	30502	2571	2439	2699	2435	30432	1.0
	- Residues *	9218	9059	747	749	804	820	9360	4.6
	- Inventories	1536	1304	1186	1022	1063	1170	1170	-14.9
North Central	- Total Receipts	6265	6872	647	596	487	392	6516	-8.9
	- Total Consumpt	6343	6563	559	500	543	524	6378	-6.7
	- Residues *	1822	1472	126	102	120	108	1368	-6.7
	- Inventories	851	906	1016	1064	1019	879	879	-1.2
West	- Total Receipts	16014	15992	1200	1136	1202	1280	14454	-17.9
	- Total Consumpt	16826	15763	1276	1144	1222	1220	14586	-16.1
	- Residues *	12612	11842	801	725	894	966	10158	-23.4
	- Inventories	1102	1330	1266	1253	1222	1301	1301	12.8

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 28-Jun-85

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

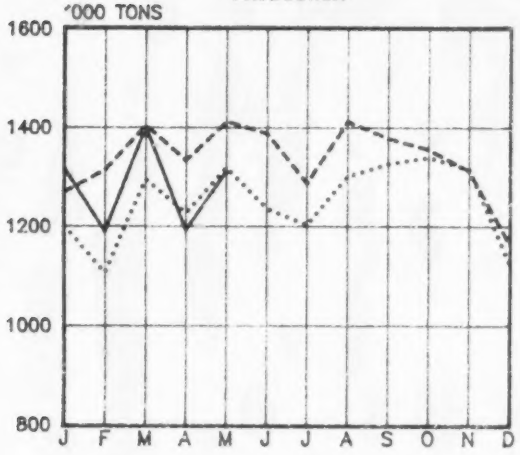
	YEAR 1984 Tons	YEAR 1984 $000's	MAR. 1985 Tons	MAR. 1985 $000's	APR. 1985 Tons	APR. 1985 $000's	Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	207520	10591	96	10	2056	170	51816	-66.0
Pulpwood chips	2061270	45353	61664	1802	60270	1869	950724	-66.9
Wood Pulp, Total	4059913	1678908	402526	143896	322562	112806	4148133	4.3
Waste Fibrous Materials, Total	151957	25187	16382	3101	15023	3024	164177	5.2
Paper, Board & Products, Total	9401285	4048656	903056	388457	841606	371465	9796257	11.4
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9330954	3927255	835503	376866	835507	360790	9722683	11.4
Paper, Paperboard & Products	8948073	3946084	866231	380728	807471	363656	9430960	12.3
Paper & Paperboard, Only	8877742	3824684	858699	368136	801873	352481	9357386	12.3
Paper, Total	8662094	3762205	844857	364283	784416	349392	9208066	13.9
Newsprint	7681341	3224596	758736	316195	712854	308063	8254023	14.5
Printing, Writing & Rel. Pap.	852879	457438	69339	37505	62650	33176	787987	5.1
Pack. & Ind. Conv. Paper	101131	59408	11382	6719	8671	5281	112545	7.9
Special Industrial Paper	3232	5437	503	729	278	321	3454	14.2
Tissue Paper	23512	15326	4897	3135	3663	2541	50007	234.5
Paperboard, Total	215648	62479	13841	3853	12457	3590	149319	-40.1
Convtd Paper&Paperbd Products	70331	121401	7553	12592	6044	10675	73574	12.8
Wet Machine Board	2098	1426	262	173	160	111	1740	-36.7
Construction Paper & Board	451113	101146	36543	8557	33475	7648	363557	-7.2

Pulpwood, Roundwood (in cords of 128 cubic feet)	95117	5698	392	22	5644	356	29892	-34.7
Pulpwood chips	28445	1544	3213	240	18932	1012	88863	174.0
Wood Pulp, Total	130950	82653	21741	8636	12523	5326	215445	25.2
Cotton Pulp & Other Pulp	10474	6605	559	388	379	222	12849	6.9
Waste Paper	325712	37937	20506	2448	18144	1454	236740	-22.1
Paper, Board & Products, Total	756499	524570	62362	43486	65585	44164	740436	-4.7
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	594646	358082	47443	30678	52206	30761	576027	4.0
Paper, Paperboard & Products	726888	511454	60147	43042	63613	43292	715179	-4.2
Paper & Paperboard, Only	540085	344966	45583	29735	50234	29889	550769	5.2
Paper, Total	236791	245610	29850	22051	25132	21375	308950	1.7
Newsprint	4493	3678	234	197	405	352	3566	-43.6
Printing, Writing & Rel. Pap.	137839	125802	13186	11852	14719	12729	160182	16.6
Pack. & Ind. Conv. Paper	46661	26918	3837	2306	2743	2046	44853	2.7
Special Industrial Paper	104034	85328	12241	7225	6986	5446	93662	-14.5
Tissue Paper	3758	3883	302	471	209	302	2688	-8.6
Paperboard, Total	243244	99357	15733	7684	25102	8514	241820	10.0
Convtd Paper&Paperbd Products	186603	166488	14364	13307	13379	13403	164410	-26.3
Wet Machine Board	5312	3707	267	146	400	315	4977	11.8
Construction Paper & Board	24244	4403	2143	747	1572	557	20280	-21.6

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 28-Jun-85

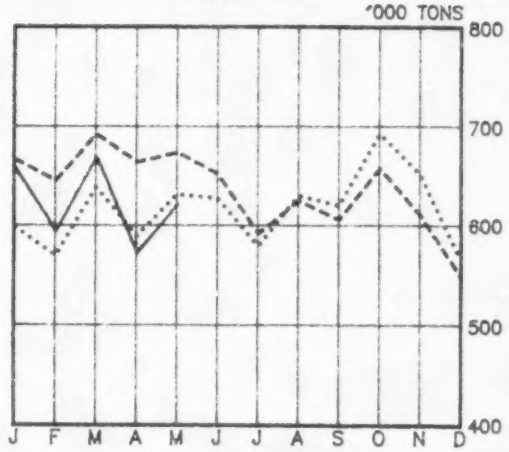
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



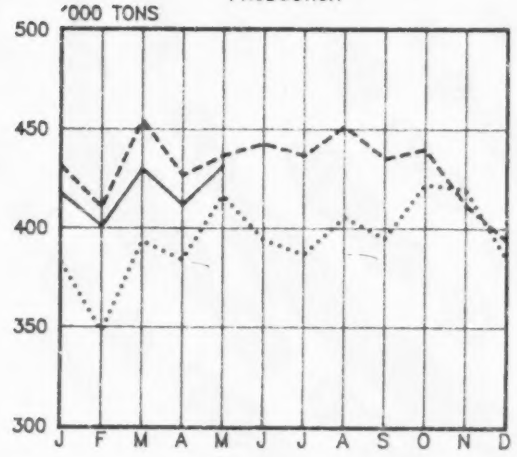
RECYCLED PAPERBOARD

PRODUCTION



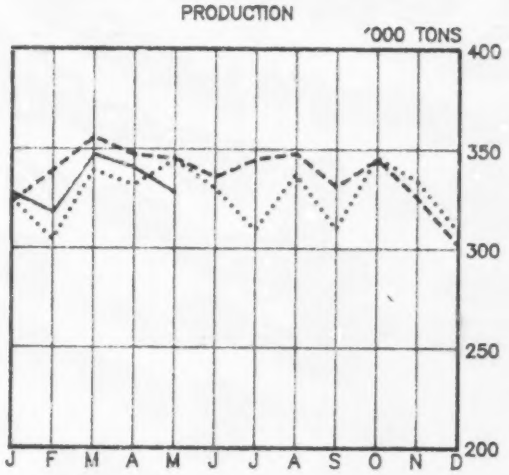
SEMICHEMICAL PAPERBOARD

PRODUCTION



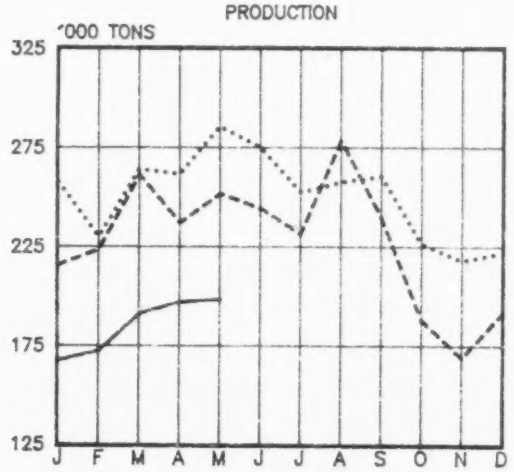
SOLID BLEACHED PAPERBOARD

PRODUCTION



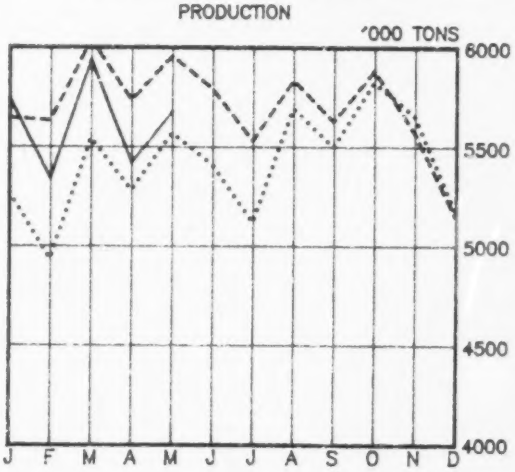
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1983 ····· 1984 - - - - 1985 ———

I M P O R T S

	YEAR 1984 Tons	YEAR 1984 $000	MAR 1985 Tons	MAR 1985 $000	APR 1985 Tons	APR 1985 $000	(1) Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulpwood Roundwood (cords)	207733	10615	96	10	2056	170	51891	-66.0
Pulpwood Chips	2062545	45396	62266	1815	60306	1874	952743	-66.8
Total All Imports	15739471	7204351	1564951	689269	1330241	603789	16313617	10.4
Wood Pulp Total	4490081	1844768	459812	162577	334980	117076	4463976	3.6
Waste Paper	109712	11692	8352	960	6827	827	83169	-21.1
Other Fibrous Materials	64367	24097	9965	3098	9860	3260	101872	50.3
Paper Board & Products Total	11075312	5323794	1086823	522634	978574	482627	11664600	13.3
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	10854312	4781475	1064118	472347	959537	434636	11424903	13.2
Paper Ppbd & Prds ex Cnst&WMB	10575656	5207697	1045550	512427	940156	473442	11244851	14.1
Paper & Paperboard Only	10354656	4663378	1022846	462140	921119	425451	11005155	14.0
Paper Total	10112041	4591486	1006543	457196	906527	420740	10822361	15.3
Newsprint	7893877	3299570	790582	327806	742662	320403	8580360	16.8
Printing & Writing	2042368	1168989	194572	114144	145958	88622	2026279	8.5
Uncoated Groundwood	1090049	548791	100342	51487	78692	42499	1075271	13.7
Coated Print.& Impreg. Pap.	428274	295844	63300	43804	40672	29973	617274	107.0
Uncoated Free Sheet	476950	284057	28212	16526	24049	13902	307596	-45.8
Uncoated Book	254926	156296	13512	8172	11441	6830	150848	-48.0
Writing and Similar Paper	222024	127761	14699	8353	12607	7072	156748	-43.5
Thin (except Cigarette)	46427	39513	2683	2289	2463	2170	25217	-54.0
Bristols	667	784	37	39	83	78	921	41.5
Total Pkg & Other Paper	145484	102565	16161	11883	13665	8970	162167	1.8
Unbleached Kraft Paper	42854	19568	4771	2077	4420	1861	48155	-12.0
Other Pkg. & Indust. Paper	102629	82997	11390	9806	9246	7109	114012	9.1
Tissue	30312	20362	5227	3362	4242	2746	53555	203.1
Paperboard, Total	242515	73892	16303	4944	14591	4711	182793	-31.6
Test or Containerboard	70028	22218	5431	1806	4678	1555	53572	-33.9
Semi-Chemical Corrugating	103968	26098	5282	1175	4058	881	55729	-53.4
Other Paperboard	68620	25576	5590	1963	5855	2275	73492	10.1
Convtd Paper&Paperbd Products	221000	542319	22705	50288	14037	47990	239696	19.6
Paper Products, Total	186199	474151	20076	45788	16899	42965	214433	24.5
Paperboard Products, Total	34800	68168	2629	4499	2138	5026	25263	-10.3
Wet machine Board	2826	2017	350	299	229	198	2937	-16.4
Construction Paper & Board	496830	114080	40923	9908	38189	8987	416812	-4.3
Notes								
Other: No Weight Avail. ($000)		195737		18358		16432	197556	9.9
Total Imports Incl. Other($000)		7400088		707627		620220	7620369	13.2

E X P O R T S

	YEAR 1984 Tons	YEAR 1984 $000	MAR 1985 Tons	MAR 1985 $000	APR 1985 Tons	APR 1985 $000	(1) Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	95441	5714	392	22	5694	356	29892	-36.1
Pulpwood Chips	2325213	164058	200596	14699	221022	16145	2341425	3.1
Total All Exports	11300450	4524778	1070261	392536	978986	357603	11303451	3.3
Wood Pulp,Total	3593585	1501948	398572	153716	327837	116770	3749475	4.2
Cotton Pulp and Other Pulp	84883	63545	6476	4289	7763	5062	92784	-2.4
Waste and Old Paper	3235441	408128	303944	33942	287371	31925	3389991	14.2
Paper, Board & Products,Total	4386541	2551157	361269	200589	356015	203846	4071201	-4.9
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	3818804	1789129	319287	142127	309801	140446	3537301	-3.6
Paper, Ppbd & Prod ex Cnst&WMB	4308873	2507184	355434	197415	350952	201039	4002185	-4.6
Paper & Paperboard, Only	3741136	1745156	313453	138952	304738	137638	3468285	-3.2
Paper, Total	810547	632490	74040	50889	68765	51694	847639	7.3
Newsprint	306198	133964	25489	10044	30865	12044	343757	20.1
Printing & Writing	203156	219922	17979	18240	19308	18900	222639	6.2
Uncoated Groundwood	30405	28875	3138	2750	3709	3344	40382	37.1
Clay Coated Paper	85714	71365	7736	6231	7390	6132	85063	-11.4
Uncoated Free Sheet	65410	87255	5452	7085	6805	7645	78777	22.2
Other Printing & Writing	21627	32427	1653	2175	1405	1780	18417	-7.1
Total Pkg. & Other Paper	284185	259323	25106	20937	17332	19058	253770	-8.0
Unbleached Kraft	106712	44382	5127	2404	3941	2001	67955	-36.2
Other Pkg. & Indust. Paper	177473	214941	19980	18533	13391	17057	185815	9.7
Tissue	17009	19281	5465	1668	1260	1692	27473	51.7
Paperboard, Total	2930588	1112666	239413	88063	235973	85944	2620646	-6.2
Solid Wood Pulp	2761732	1040239	225915	81636	217868	79231	2407134	-9.2
Total Linerboard	2058034	628531	165340	44861	148576	40742	1709010	-10.8
Bleached Kraft Linerboard	141367	57788	12807	3986	6583	2239	124068	-12.0
Unbleached Kraft Linerbd	1916667	570743	152532	40874	141993	38504	1584941	-10.7
Other Unbleached Kraft	110878	51270	7939	3680	10954	4218	89183	-2.5
Other Bleached Kraft	543209	348218	45971	31466	51741	32507	546548	-5.2
Semi-Chemical Corrugating	44612	12220	6665	630	6598	1764	62394	75.0
Recycled Paperboard	168856	72427	13498	6427	18105	6714	213512	49.3
Convtd Paper&Paperbd Products	567737	762028	41981	58462	46214	63401	533900	-12.8
Paper Products, Total	286403	516149	21456	39189	22262	43170	257762	-20.6
Paperboard Products, Total	281334	245879	20526	19273	23952	20230	276139	-3.9
Wet Machine Board	13782	7335	669	325	1370	714	12692	3.6
Construction Paper & Board E	63887	36638	5155	2850	3693	2094	56325	-23.5
Notes								
Other: No Weight Avail. ($000)		8843		531		623	6778	-7.3
Total Exports Incl. Other($000)		4533621		393066		358227	4258763	-2.1

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1983	1984	FEB.	MAR.	APR.	MAY	Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	271.4	292.9	297.4	295.4	294.3	293.3	295.6	2.9
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	273.3	293.8	299.2	297.5	296.7	295.8	297.8	3.3
Total Wood Pulp	347.1	395.0	368.4	353.9	347.9	342.4	359.2	-6.0
Total Paper	282.3	303.2	304.7	303.7	303.6	304.6	304.7	2.1
Total Paper, exc. Newsprint	277.0	301.2	299.7	298.4	297.9	300.1	299.8	0.5
Newsprint	303.0	324.1	332.4	332.4	332.6	332.9	333.4	6.5
Total Paperboard	250.8	280.6	287.8	285.7	284.0	282.1	285.7	5.2
Total Paper and Paperboard *	272.4	296.1	299.4	298.1	297.5	297.5	298.8	3.0
Converted Products	265.4	280.7	291.0	290.4	290.0	288.8	289.8	5.2
Waste Paper	158.6	240.1	192.6	170.2	154.4	144.0	170.4	-29.1
All Commodities	303.1	310.4	309.2	308.7	309.3	309.9	309.4	-0.3
Industrial Commodities	315.7	322.6	322.5	322.6	323.8	325.3	323.5	0.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API 14-Jun-85

Paper Plus Paperboard

	Production	Imports	Exports	New Supply	Real GNP (Bil. 1972 $)	N.S. to Real GNP 000T / Bil. $
	(000 Tons, Annual Rate)					
1976	55,151	7,042	3,388	58,805	1,298.2	45.3
1977	56,823	7,294	3,171	60,946	1,369.7	44.5
1978	58,744	8,781	3,301	64,224	1,438.6	44.6
1979	61,271	8,738	3,610	66,399	1,479.4	44.9
1980	61,147	8,304	5,148	64,303	1,475.0	43.6
1981	62,262	7,941	4,561	65,642	1,513.8	43.4
1982	59,456	7,602	4,187	62,871	1,485.4	42.3
1983						
I	62,315	7,654	4,244	65,725	1,491.0	44.1
II	63,820	8,643	4,726	67,737	1,524.8	44.4
III	65,967	8,279	4,657	69,589	1,550.2	44.9
IV	67,898	9,461	4,377	72,982	1,572.7	46.6
Average	65,000	8,509	4,501	69,008	1,534.7	45.0
1984						
I	68,066	9,967	4,209	73,824	1,610.9	45.8
II	68,899	10,587	4,752	74,734	1,638.8	45.6
III	69,099	11,389	4,461	76,027	1,645.2	46.2
IV	67,764	10,360	3,812	74,312	1,662.4	44.7
Year	68,457	10,575	4,309	74,724	1,639.3	45.6
1985						
I	67,770	10,575	3,766	74,579	1,665.4	44.8

Continued from Page 2

The current trend in new supply stands in constrast with that of the preceding two years. The recession of 1982 had brought paper and paperboard new supply to a five-year low. The recovery started in the first quarter of 1983, and from then through the third quarter of 1984 new supply rose at a faster rate than did the real gross national product (real GNP). The new supply/real GNP ratio rose from its first quarter 1983 level of 44,100 tons to a high of 46,200 tons per billion dollars.

Even though the fourth quarter 1984 rate moved downward, the 1984 average ratio of 45,600 tons per billion dollars of the real GNP was the highest since the onset of the 1975 recession.

Since the third quarter of 1984, however, the trend in paper and paperboard new supply has lagged that of real GNP, bringing the ratio down to an estimated 43,000 tons per billion dollars of the real GNP in the April-May 1985 period and the five-month 1985 average to about 44,000 tons, which is about equal to the average 1979-1980 rate.

The lower table on page 10 shows the annual averages of the ratios of new supply to real GNP for the years 1976 through 1982, together with quarterly data for 1983, 1984, and the first quarter of 1985. The table also shows the data required to calculate these ratios.

The quarterly ratios of new supply of new supply to real GNP shown in this table trace a classic example of the normal response of the demand for the products of the paper industry to the business cycle. During the upward phase of the cycle, such as the one that began in early 1983 and continued through the third quarter of 1984, the demand for paper tends to rise faster than real GNP as new paper-using businesses are formed, old users expand their usage and replenishment of inventories begins. When real GNP slows down, the growth of new business formation declines and attitudes toward inventory change. Paper demand is in this stage of a maturing recovery.

If the consensus of economic forecasts is correct, and real GNP moves upward during the last half of the year, paper and paperboard demand should remain steady.

Continued on Page 12

Continued from Page 11

Technical Note: The seasonally adjusted data shown in the table on the bottom of page 10 and on page 3 are based on a new analysis of the seasonal patterns of paper and paperboard. This new analysis was made using the Census X-11 program with data for the years 1977 to 1984. The analysis included both the trading day and seasonal adjustment factors.

FIBROUS RAW MATERIALS

Although total paper and paperboard production is below year-ago levels, market pulp production showed a small increase. Production of paper grade market pulp in the first five months of 1985 averaged 5.6 million tons per year, 0.8% ahead of its year-ago total. Shipments of these pulps, however, were about this same percentage below their year-ago level with shipments to the domestic market, 7.5% below their comparable 1984 level and exports 5.9% higher. The data show a 39% increase in shipments to markets other than Western Europe and Japan. Shipments to Western Europe declined by 8%, while shipments to Japan fell 9%. The major purchasers included in the "other" group are Mexico and Venezuela in the Latin American area, and the Peoples Republic of China and the Republic of Korea in the Asian area.

Although inventories of chemical paper grade market pulp as of the end of May were 72% above their year-ago level, there has been a sizable reduction in these inventories since the peak reached at the beginning of 1985. The table on the bottom of page 5, which provides data on inventories of all paper grade market pulp held at pulp mills for the period January through April 1985, shows that these mills had 37 days of supply on hand as of the end of April 1985, compared to 50 days of supply at the beginning of the year. At the end of April 1984, however, these mills had held only 22 days of supply.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

June 28, 1985

PRODUCTION (000 TONS)

	May 85	Apr. 85	May 84	Jan. - May 85	Jan. - May 84	% Change 85/84
PAPER GRADES	P	R				
Newsprint	461	427	481	2292	2335	-1.8
Printing & Writing	1539	1585	1607	7811	7798	0.2
Uncoated Groundwood (s)	123	123	133	619	670	-7.6
Coated Paper (s)	494	517	548	2613	2617	-0.2
Uncoated Free Sheet Paper (s)	810	833	805	4018	3925	2.4
Thin Paper (s)	24	23	24	118	118	0.0
Cotton Fiber Paper (s)	11	12	13	59	63	-6.3
Bleached Bristols (s)	77	78	84	384	404	-5.0
Tissue Paper	440	399	412	2077	2030	2.3
Total Pkg & Other Paper	444	406	481	2194	2430	-9.7
Unbleached Kraft Packaging & Indl. Converting (s)	290	258	310	1439	1586	-9.3
Other Paper *	154	148	172	755	844	-10.5
TOTAL PAPER	2884	2816	2981	14374	14593	-1.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1418	1284	1526	6899	7227	-4.5
Unbleached Kraft Linerboard	1312	1193	1413	6411	6736	-4.8
Other Unbl. Kraft Paperboard	107	91	113	488	490	-0.5
Semichemical Paperboard	431	411	437	2089	2158	-3.2
Bleached Paperboard	328	341	346	1664	1713	-2.9
Recycled Paperboard	621	572	674	3116	3343	-6.8
TOTAL PAPERBOARD	2799	2609	2982	13768	14441	-4.7
TOTAL PAPER AND PAPERBOARD	5684	5424	5963	28142	29034	-3.1

WOOD PULP (ALL GRADES)	Apr. 85	Mar. 85	Apr. 84	Jan. - Apr. 85	Jan. - Apr. 84	% Change 85/84
Dissolving & Special Alpha	104	118	117	427	426	0.2
Bleached Sulfite	135	123	129	481	467	3.1
Unbleached Sulfite	27	26	24	89	95	-6.3
Bleached & Semi-Bl. Sulfate	1823	1993	1887	7559	7437	1.6
Unbleached Sulfate	1528	1750	1733	6495	6923	-6.2
Semichemical	340	349	347	1355	1382	-2.0
Groundwood & Thermomechanical	445	483	472	1812	1854	-2.3
TOTAL PULP DIVISION DATA	4403	4843	4708	18216	18584	-2.0

(s) - Shipments
P - Preliminary
R - Revised

June 28, 1985

	Full Year		INDUSTRY DATA 1984-1985 R	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1983	1984	March	April	May	1985	
Total Production (API).....: excluding :...	65000	68457	5945	5425	5684	67542	-3.1
Total Seasonally Adjusted....:construction:...			5633	5341	5454	66570	-2.4
Imports (including Products).: and wet :..E	8509	10576	1046	940	920	11204	11.8
Exports (including Products).: machine :..E	4501	4309	355	350	355	4052	-7.3
Apparent Consumption.....: grades :...	69008a	74724b	6323	5931	6019	73722c	-0.1
Paper Production % Tonnage Capacity.....	92.0g	93.4g	93.2	90.3	89.4	91.7gh	-
Paperboard Production % Tonnage Capacity.....	90.8g	94.8g	94.7	85.9	86.7	90.6g	-
			February	March	April		
IMPORTS.....:Including Construction and :...	8985	11075	904	1087	979	11664	13.3
EXPORTS.....: WMB Grades (excl. HPB) :...	4568	4387	293	361	356	4070	-5.0
MARKET WOOD PULP PRODUCTION - Tons (000).....	6478	6891	588	609	564	7020	2.6
TOTAL WOOD PULP PRODUCTION - Tons (000)..(f)....	52537	55549	4376	4843	4403	54651	-2.0
WOOD PULP IMPORTS - TONS (000).....	4093	4490	380	460	335	4464	3.6
WOOD PULP EXPORTS - TONS (000).....	3644	3594	223	399	328	3753	4.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			February	March	April		
Wood Pulp.....:consumption for:.....	51434	54641	4266	4778	4344	53561	-2.4
Waste Paper.....:construction & :.....	14696	15889	1179	1360	1246	15419	-3.2
TOTAL.....: WMB grades :.....	66130	70530	5445	6138	5590	68980	-2.6
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	83608	87646	6981	7651	7148	87579	-1.0
EMPLOYMENT (000)			March	April	May		
Paper and Allied Products.....Total.....	661.6	682.3	678.9	678.3	680.5	679.1	0.4
Pulp, Paper and Board Mills.....Total.....E	258.2	263.9	257.6	257.5	257.5	259.8	-0.9
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	9.94	10.44	10.64	10.72	10.72	10.69	4.1
Pulp, Paper Mills.....E	11.70	12.45	12.79	12.85	12.85	12.83	5.5
Paperboard Mills.....E	12.11	12.99	13.32	13.46	13.48	13.34	5.1
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1984 Q3	1984 Q4	1985 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	5.92	7.15	7.33	7.99	7.58	7.83y	9.5
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			February	March	April		
:IN PULP, PAPER :...Production Workers.....	118.0	120.0	111.4	125.8	120.1	117.4	-1.2
:AND BOARD MILLS:...All Employees.....	116.9	118.8	109.6	123.8	118.4	115.8	-2.2
PAPER AND ALLIED PRODUCTS (Million $)			February	March	April		
Industry Shipments (Dept. of Commerce)*.....	85662	95990	8140	8047	7995	96876	3.8
Pulp, Paper and Paperboard*.....	36346	41539	3530	3504	3531	42168	3.9
Inventories (End of Period) - Total Industry*..	8729	9701	9883	9942	9876	9876	8.3
Pulp, Paper and Paperboard*.....	3263	3662	3773	3814	3762	3762	13.1
			1984 Q3	1984 Q4	1985 Q1		
Sales (Corporations Only).....	65008	71891	18096	17642	17797	53391	-1.5
Earnings (Corporations Only).....	2327	3015	951	493	718	2154	-8.6
Depreciation (Corporations Only).....	2607	2798	706	700	765	2295	9.9
Net Worth (Corporations Only).....	27219	28160	28806	28160	29241	29241	4.9
PRICE INDEXES (Bureau of Labor Stats)1967=100			March	April	May		
Pulp, Paper & Products, ex. Building Grades....	271.4	292.9	295.4	294.3	293.3	295.6	2.9
Wood Pulp.....	347.1	395.0	353.9	347.9	342.4	359.2	-6.0
Waste Paper.....	N.A.	240.1	170.2	154.4	144.0	170.4	-29.1
Paper.....	282.3	303.2	303.7	303.6	304.6	304.7	2.1
Paperboard.....	250.8	280.6	285.7	284.0	282.1	285.7	5.2
PAPER DEMAND (INDEXED: 1967=100,			March	April	May		
Total Paper Production *.....	157.0	164.3	163.5	159.6	160.6	162.9	-0.9
Paper New Supply *.....	147.2	160.0	166.6	159.2	159.1	161.4	2.4
Total End - Use Index *.....	157.8	172.5	176.0	177.9	178.5	176.8	4.4
Production of Nondurable Goods *...(19%)...	168.0	179.4	179.4	179.8	179.7	179.5	1.0
Disposable Income (Constant $) *...(23%)...	163.4	174.6	174.8	180.5	182.9	178.6	3.7
Total Printing and Publishing *...(58%)...	152.3	169.4	175.3	176.3	176.4	175.3	5.9
Trend Factor	----------	----------	---------- Not Available ----------			----------	----------
PAPERBOARD DEMAND (INDEXED: 1967=100)							
Total Paperboard Production *.....	141.2	148.9	146.3	134.5	139.6	142.4	-3.9
Production for Domestic Use	135.5	145.4	153.9	134.4	144.9	143.1	-3.1
Total End - Use Index *.....	148.9	161.6	163.0	162.6	162.5	162.6	1.6
Production of Consumer Goods *...(60.49%)	151.8	161.6	162.6	162.4	162.4	162.3	1.2
Production of Equipment *.... 6.62%)	140.8	164.0	173.0	173.5	173.2	173.0	10.0
Production of Materials *...(32.89%)	145.2	161.1	161.8	160.9	160.4	161.0	0.7
Trend Factor	----------	----------	---------- Not Available ----------			----------	----------
NEWSPRINT MARKETS			February	March	April		
Consumption by Publishers - Tons (000).....	11671	12612	955	1107	1048	12216	1.3
Newspaper Pub. and Printing Empl. Total(000)...	421.6	443.0	448.9	449.7	449.7	449.1	2.7
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	10135	11761	11852	13418	14186	146147	-0.2
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	22776	26532	2639	2882	2932	33774	12.9
Inventories (End of Period).	1885	2341	2886	2874	2972	2972	21.2
FIBRE BOX DATA (Fibre Box Association)			March	April	May		
Fibre Box Shipments (Million square feet).....	252539	248538	21727	22574	22345	263407	-2.5
Container'bd Inventory at Mill & Plant(000Tons).	2437	2882	3023	2987	2904	2904	14.3
RETAIL TRADE (Million $)							
Total Retail Sales *.....	1171915	1291835	111854	114584	113678	1351642	5.9
Nondurable Goods Stores Sales *.....	793398	841417	71089	72018	72040	855648	2.7
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1967 = 100)*..	147.6	163.3	165.9	165.5	165.3	165.4	2.9
PRODUCER PRICES(ALL COMMODITIES)(INDX 1967=100)..	303.1	310.4	308.7	309.3	309.9	309.4	-0.3
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	298.4	311.1	318.8	320.1	321.3	318.7	3.6
			February	March	April		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	387.9	461.0	464.9	471.6	479.9	479.9	14.8
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1984 Q3	1984 Q4	1985 Q1		
G.N.P. or Expenditure - Current $.....	3304.8	3662.8	3694.6	3758.7	3810.6	3810.6	7.2
G.N.P. or Expenditure - 1972 $.....	1534.7	1639.3	1645.2	1662.4	1663.5	1663.5	3.3

lb/capita

Pap&Papbd Othr Totl Popul(mil)
.a - 589 + 18 = 607 234.2
.b - 631 + 18 = 649 234.9
.c - 627 + 18 = 645 234.9
.E - Last month estimated by API
.e - estimated by API

g - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
j - Census unpublished data; standard dev. = 6-8%
N.A. - Not Available
P - Preliminary
Q - Quarter
R - Revised
RS - Revised Series
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted